



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

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February 22, 2000

HAND DELIVERED

Carl Younger  
Vice President and Senior Counsel  
PCS Phosphate Company, Inc.  
3101 Glenwood Avenue  
P.O. Box 30321  
Raleigh, North Carolina 27622-0321

Re: Release of Guaranty and Self Bonding and Indemnity Agreement, PCS Phosphate Company, Inc.,  
Cane Creek Mine, M/019/005, Grand County, Utah

Dear Mr. Younger:

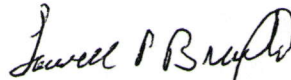
On January 8, 1990, the Division of Oil, Gas and Mining ("Division"), through its Board, entered into a Self Bonding and Indemnity Agreement (the "Self Bonding Agreement") with Moab Salt, Inc. ("MSI") to secure reclamation obligations for the Cane Creek Mine in Grand County, Utah. By Guaranty of the same date, Texasgulf Inc., the parent corporation of MSI and former operator of the Cane Creek Mine, agreed to guaranty the performance and discharge by MSI of MSI's covenants and obligations arising under the Utah Mined Land Reclamation Act ("Act") and the Self Bonding Agreement, the Reclamation Plan, and the Reclamation Contract relating to Permit No. M/019/005. Texasgulf Inc. subsequently changed its name to PCS Phosphate Company, Inc. ("PCS").

Having received an acceptable replacement surety from MSI and an assumption by MSI of full responsibility for continued mining operations and reclamation effective February 22, 2000, the Division hereby releases the Self Bonding and Indemnity Agreement and the Guaranty. PCS, formerly known as Texasgulf Inc., their affiliates (excluding MSI), and the officers and directors thereof, are released from all mining and reclamation obligations, whether arising prior to or following the date of this letter, including all responsibilities under the Act and the Reclamation Plan, Reclamation Contract, Self Bonding Agreement, Guaranty, the approved Notice of Intention, and any responsibilities to the extent that PCS or Texasgulf Inc. is or has been an operator (as defined by Utah Code Ann. §40-8-4) at the Cane Creek Mine. MSI and the provider of its replacement surety are now the parties responsible for all mining and reclamation activities associated with the project.

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Carl Younger  
M/019/005  
February 22, 2000

With this letter we are returning to you the original Guaranty and Self Bonding and Indemnity Agreement in the amount of \$10,625,000 (1999 dollars).

Sincerely,

A handwritten signature in black ink, appearing to read "Lowell P. Braxton". The signature is fluid and cursive, with the first name "Lowell" and last name "Braxton" clearly distinguishable.

Lowell P. Braxton  
Director

jb  
Enclosure: Self Bonding Agreement  
cc: Robert Jornayvaz, Intrepid Oil & Gas, L.L.C.  
M19-05-ltr